



USDA Programs Support Beginning Farmers and Ranchers



The next generation of farmers and ranchers will come from everywhere. They may come from farming backgrounds or be new to agriculture; they may be college graduates coming home to farm with their families; or they may be veterans, second career seekers, immigrants and people from all ethnic backgrounds.

USDA investment in support of new and beginning farmers has increased in several key programs. These include improving access to land and capital; building new markets and market opportunities; extending new conservation opportunities; offering appropriate risk management tools; and increasing outreach, education and technical support.

Access to Land and Capital

Beginning Farmers and Ranchers loans provide credit opportunities to eligible family farm and ranch operators and owners who have been in business less than 10 years. New farmers have priority for USDA lending assistance. USDA's Farm Service Agency is often "the lender of first opportunity" for many new and beginning producers.

Microloans are operating loans designed to meet the needs of small and beginning farmers, non-traditional, specialty crop and niche type operations by easing some requirements and offering less paperwork. FSA's microloan program is an important access point to credit for some new farmers and ranchers, and 70 percent of these loans have gone to beginning farmers. The 2014 Farm Bill revisions have assisted farmers by increasing the loan limit and expanding the credit available for their family farming businesses.

Direct Operating Loans are used to purchase items such as livestock and feed; farm equipment; fuel, farm chemicals, insurance, and family living expenses; make minor improvements or repairs to buildings and fencing; and general farm operating expenses.

Direct Farm Ownership Loans are used to purchase or enlarge a farm or ranch, construct a new or improve existing farm or ranch buildings, and for soil and water conservation and protection purposes.

Guaranteed Loans enable lenders to extend credit to family farm operators and owners who do not qualify for standard commercial loans. Farmers receive credit at reasonable terms to finance their current operations or to expand their business; financial institutions receive additional loan business and servicing fees, as well as other benefits from the program, such as protection from loss.

Minority and Women Farmers and Ranchers loans support the full participation of minority and women family farmers in FSA's farm loan programs by targeting a portion of its direct and guaranteed farm ownership and operating loan funds for minority and women farmers to buy and operate a farm or ranch.

Emergency Loans help farmers and ranchers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine.

For a Farm Service Agency Fact Sheet about Loans for Beginning Farmers and Ranchers, go to: http://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/beg_farm_ranch_nov2015.pdf

Transitioning conservation reserve land from retired or retiring land owners. USDA programs have facilitated over 2,500 contracts to transition over 400,000 acres of expiring conservation reserve program land from retired or retiring landowners to beginning or underserved producers for sustainable grazing or crop production.

Building New Markets and Growing Opportunity

USDA supports new farmers who are selling their products locally by investing in local and regional food businesses and infrastructure projects across the country, including many young and beginning farmers.

Local Food Promotion Program (LFPP) offers grant funds with a 25% match to support the development and expansion of local and regional food business enterprises to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets.

The purpose of the **Farmers Market Promotion Program (FMPP)** is to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets. USDA data indicate that the number of farmers markets nationwide has increased by 93.3 percent between 2006 and 2015.

USDA Value-Added Producer Grants program gives priority to beginning farmers and ranchers to help them increase revenues through value-added agriculture, marketing and new product development. By 2017, 25 percent of Value Added Producer Grants will go to beginning farmers and ranchers.

Quality standards. USDA-provided standards and grading services help new farmers be more competitive in the evolving marketplace and access new market opportunities. Quality grade standards and USDA's independent third-party grading, certification, auditing, inspection, and laboratory analysis services are voluntary tools that producers can use to help promote and communicate quality and wholesomeness to consumers. USDA created a certification for small and very small producers of grass-fed beef tailored to meet the needs of small-scale livestock producers and the growing grass-fed beef industry.

Specialty crops. USDA awards significant funds to state departments of agriculture for projects that support specialty crop growers, supporting hundreds of projects that address issues ranging from food safety to research needs to increased access to fruits and vegetables, all benefitting specialty crop producers and consumers across the country.

Organic certification cost-share assistance has been available to states to make organic certification more accessible for producers and handlers across the country. This assistance provided reimbursements for up to 75 percent of the costs of organic certification, up to a maximum of \$750 per certification scope.

State and Regional Trade Groups and Cooperators have benefitted from enhanced partnership with USDA to support the needs of the next generation of agriculture producers seeking to export their products. Specifically, USDA will be working earlier and more intensively with interested new and beginning farmers and ranchers, helping to develop export capacity where appropriate and connecting appropriate new and beginning farm and ranch businesses with enhanced networking opportunities, including domestic trade shows and trips to meet buyers abroad.

Conservation Assistance

USDA provides technical and financial assistance to help beginning farmers and ranchers implement voluntary conservation measures, resulting in benefits for both the environment and agricultural operations. Assistance is available for new farmers that will cover approximately 90 percent of the costs associated with implementing conservation practices and provide approximately 50 percent of funding in advance to help new farmers hire contractors or purchase needed materials to implement conservation practices.

Risk Management

Crop insurance coverage. New programs introduced with the 2014 Farm Bill provide better crop insurance coverage to participating new and beginning farmers and ranchers. Beginning farmers and ranchers save in premiums and administrative fees because of this new program.

Disaster assistance. The Noninsured Crop Disaster Assistance Program (NAP) offers new producers reduced premiums on buy-up level coverage by 50 percent and waiving their application fee. USDA estimates 1,255 new and beginning farmers enrolled in NAP in 2015. As of March 2016, there were 2,325 new and beginning farmers enrolled in NAP for 2016.

Outreach, Education, and Technical Assistance

Web access. USDA provides a single front door to USDA resources for the next generation of farmers and ranchers. The newest version of this web tool enables new farmers and an expanded diverse audience to search for resources customized to their needs. As the primary portal to USDA resources, www.USDA.gov currently receives close to 140 million unique visitors per year, and New Farmers has been one of the most accessed websites since its inception. USDA also has new resources specifically designed for military veterans interested in agriculture, including a website, which consolidates information about USDA's preferences, priorities, and incentives for military veterans in USDA programs in one place.

Beginning Farmer and Rancher Development Program (BFRDP) makes training, education, and outreach available to a new generation of agriculture leaders. More than 50,000 beginning farmers and ranchers have participated in projects funded by BFRDP.

Agricultural workers with disabilities. USDA supports cooperative projects that meet the needs of agricultural workers with disabilities through education, information on assistive technology solutions, and networking through the AgrAbility program.

Veterans. USDA enhanced coordination with veterans' resources including Veterans Affairs, Department of Defense, and Department of Labor. These teams are developing consolidated resources, shared services, and more for our nation's servicemen and women who want to make a life on the land. In particular, every service member transitioning out of the military will now hear about career opportunities in agriculture and how USDA programs can support them as beginning farmers. USDA has also announced a new Military Veteran Agricultural Liaison to specifically address the unique interests of military veterans engaging in agriculture.

2501 Program. USDA provides targeted outreach and technical assistance to veterans, minority and limited-resource farmers and ranchers, and others that have not historically benefited from USDA programs through the **2501 Program**. The funds are provided through the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program. This funding enables community-based organizations, eligible higher education institutions, and tribal organizations to work directly with these groups to successfully acquire, own, and operate farms and ranches and to access all USDA programs and services.



USDA website: <https://usda.gov/>

At this home site, you can connect to the new farmers link, or go to it directly at the address below.

USDA New Farmers website: <https://newfarmers.usda.gov/>

USDA website for military veterans interested in agriculture: www.usda.gov/veterans

USDA AgrAbility blog: <http://blogs.usda.gov/tag/national-agrability-project/>

Report on USDA beginning farmers programs and services:
<http://www.usda.gov/wps/portal/usda/usdahome?contentid=usda-results-beginning-farmers.html>

Jake Jacobs, University of Vermont Crop Insurance Education Coordinator
208 Morrill Hall, University of Vermont, Burlington, VT 05405
Phone: 802-656-7356 email: jake.jacobs@uvm.edu

May 2018

This material is funded in partnership with USDA, Risk Management Agency, under award number RM17RMETS524005. Any reference to commercial products, trade names, or brand names is for information only, and no endorsement or approval is intended. Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the United States Department of Agriculture. University of Vermont Extension, Burlington, Vermont. University of Vermont Extension, and U.S. Department of Agriculture, cooperating, offer education and employment to everyone without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status.